IDAHO OUTLOOK

NEWS OF IDAHO'S ECONOMY AND BUDGET

STATE OF IDAHO DIVISION OF FINANCIAL MANAGEMENT DECEMBER 2004 VOLUME XXVII NO. 6

For this issue of the *Idaho Outlook*, we focus on demographics instead of economics. Specifically, we review the U.S. Census Bureau's recently published estimates of state populations for 2004. Readers are reminded these estimates are not based on a count, as the U.S. Census Bureau only performs a count at the beginning of each decade. The estimates for all other years, such as the current one, are based on models and several data sources.

The census and estimate population numbers are similar in that they represent the number of people residing in a state on a given day, and are not an average population for the year. The census counts persons on April 1 of the years ending with a zero. Estimates are for July 1 of all other years. Each state's estimated population for this year and last, as well as their growth rates, are included in the accompanying table.

First states first. According to the U.S. Census Bureau, the U.S. population grew 1.0% from 2003 to 2004. As the table shows, the fastest growing states in the nation were dominated by the southern and western states. Nevada (4.1%), Arizona (3.0%), Florida (2.3%), Idaho (1.9%), and Georgia (1.8%) lead the nation and Delaware (1.5%) stands out as the exception in growth for eastern states.

All of the nation's slowest growing states are in the North and East. The five slowest growing states consist of West Virginia (0.2%), Ohio (0.2%), North Dakota (0.2%), New York (0.1%), and Massachusetts (-0.1%). The latter was the only state to lose population from 2003 to 2004. However, the District of Columbia (-0.7%) experienced a bigger percentage decrease. North Dakota's small population gain is worth noting, and up until 2004 the nation's least visited state, suffered losses in every other year of this decade.

Idaho grew the fastest among all the states it borders, except for perennial leader Nevada. The Silver State's 4.1% increase made it the fastest growing state in the nation. Utah's 1.6% growth put it in third place behind Idaho. Of the remaining border states, Washington's population grew 1.2%; both Montana and Wyoming advanced 0.9%, and Oregon, with a 0.8% increase, was the caboose.

Idaho's strong population gain in 2004 is a pleasant surprise. We have been forecasting the Gem State's population would increase 1.5%. The stronger than expected population growth is but another indicator that Idaho is leading the U.S. economic expansion.

All of us at the Division of Financial Management wish happy holidays and much prosperity for everyone in 2005.

	Population estimates		Change	
	July 1, 2004	July 1, 2003	Amount	Percent
U.S.	**293,655,404**	**290,788,976**	2,866,428	1.0%
AL	4,530,182	4,503,726	26,456	0.6%
AK	655,435	648,280	7,155	1.1%
AZ	5,743,834	5,579,222	164,612	3.0%
AR	2,752,629	2,727,774	24,855	0.9%
CA	35,893,799	35,462,712	431,087	1.2%
CO	4,601,403	4,547,633	53,770	1.2%
CT	3,503,604	3,486,960	16,644	0.5%
DE	830,364	818,166	12,198	1.5%
DC	553,523	557,620	-4,097	-0.7%
FL	17,397,161	16,999,181	397,980	2.3%
GA	8,829,383	8,676,460	152,923	1.8%
HI	1,262,840	1,248,755	14,085	1.1%
ID	***1,393,262***	***1,367,034***	***26,228***	***1.9%***
IL	12,713,634	12,649,087	64,547	0.5%
IN	6,237,569	6,199,571	37,998	0.6%
IA	2,954,451	2,941,976	12,475	0.4%
KS	2,735,502	2,724,786	10,716	0.4%
KY	4,145,922	4,118,189	27,733	0.7%
LA	4,515,770	4,493,665	22,105	0.5%
ME	1,317,253	1,309,205	8,048	0.6%
MD	5,558,058	5,512,310	45,748	0.8%
MA	6,416,505	6,420,357	-3,852	-0.1%
MI	10,112,620	10,082,364	30,256	0.3%
MN	5,100,958	5,064,172	36,786	0.7%
MS	2,902,966	2,882,594	20,372	0.7%
MO	5,754,618	5,719,204	35,414	0.6%
MT	926,865	918,157	8,708	0.9%
NE	1,747,214	1,737,475	9,739	0.6%
NV	2,334,771	2,242,207	92,564	4.1%
NH	1,299,500	1,288,705	10,795	0.8%
NJ	8,698,879	8,642,412	56,467	0.7%
NM	1,903,289	1,878,562	24,727	1.3%
NY	19,227,088	19,212,425	14,663	0.1%
NC	8,541,221	8,421,190	120,031	1.4%
ND	634,366	633,400	966	0.2%
OH	11,459,011	11,437,680	21,331	0.2%
OK	3,523,553	3,506,469	17,084	0.5%
OR	3,594,586	3,564,330	30,256	0.8%
PA	12,406,292	12,370,761	35,531	0.3%
RI	1,080,632	1,076,084	4,548	0.4%
SC	4,198,068	4,148,744	49,324	1.2%
SD	770,883	764,905	5,978	0.8%
TN	5,900,962	5,845,208	55,754	1.0%
TX	22,490,022	22,103,374	386,648	1.7%
UT	2,389,039	2,352,119	36,920	1.6%
VT	621,394	619,343	2,051	0.3%
VA	7,459,827	7,365,284	94,543	1.3%
WA	6,203,788	6,131,298	72,490	1.2%
WV	1,815,354	1,811,440	3,914	0.2%
WI	5,509,026	5,474,290	34,736	0.6%
WY	506,529	502,111	4,418	0.9%

Source: U.S. Census Bureau

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General Fund Update

As of November 30, 2004

Revenue Source	FY05 Executive Estimate[3] ($ Millions)	DFM Predicted to Date ($ Millions)	Actual Accrued to Date ($ Millions)
Individual Income tax	968.0	349.9	363.8
Corporate Income tax	118.9	32.3	29.8
Sales Tax	910.8	392.4	408.5
Product Taxes[1]	21.9	9.5	9.9
Miscellaneous	105.7	32.1	34.8
TOTAL GENERAL FUND[2]	**2,125.3**	**816.1**	**846.9**

1 Product Taxes include beer, wine, liquor, tobacco and cigarette taxes
2 May not total due to rounding
3 Revised Estimate as of August 2004

General Fund revenue exceeded expectations for the fifth straight month in November, coming in $2.0 million higher than expected. Though it is the weakest performance so far this fiscal year, it brings the fiscal year-to-date excess to $30.7 million. November's strength was due to a combination of higher-than-expected individual income tax, sales tax, and miscellaneous revenue collections. These areas of strength were offset by a second straight month of weakness in the corporate income tax.

Individual income tax collections were $2.1 million higher than expected in November, bringing the year-to-date excess to $13.9 million. For the month both filing and withholding collections exceeded expectations (by $2.0 million and $0.8 million, respectively), but were partially offset by refunds that were $0.6 million higher than expected. On a cumulative basis all three major components of the individual income tax (filing collections, withholding collections and refunds) are still performing better than expected.

Corporate income tax collections were $4.7 million lower than expected in November, and are now $2.5 million below fiscal year-to-date expectations. November's weakness consisted of $2.5 million more in refunds than were expected, $2.4 million less in filing collections, and $0.2 million less in estimated payments. These sources of weakness were partially offset by $0.4 million in additional net Multi-state Tax Compact collections

Sales tax collections were $2.0 million higher than expected in November, bringing the year-to-date excess up another notch to $16.1 million. While not as spectacular as the gains realized in July and August, November's strength makes five straight months of higher-than-expected sales tax collections this fiscal year. A very likely source of this strength is the remarkably low interest rates that have persisted into the fall.

Product taxes were exactly on target in November. Miscellaneous revenue was $2.5 million higher than expected in November as a consequence of strength in interest earnings, estate tax, and unclaimed property.